

Market Research for Specialty White Wheats
Kansas State University
Kansas Department of Commerce and Housing, Value Added Product Development

Our specific objectives were to:

1. Identify existing and new supply channels for hard white wheat;
2. Determine costs and benefits of hard white wheat supply channels; and
3. Provide education to producers, consumers, and agribusinesses.

Objective 1: We worked with Cargill and other firms on developing a program that paid producers a \$0.10 premium for hard white wheat that was planted with certified seed. That program proved to be successful and we are working on a similar program with General Mills this spring. In the fall of 2001, one scientist spent time at Montana State University learning more about the programs in the northern Great Plains.

Objective 2: These two publications summarize the costs and benefits that are faced by producers for using hard white wheat. It should be noted that the 2002 Farm Bill has a Hard White Wheat Incentive Program whereby USDA will use the government loan program to segregate the wheat and pay premiums. Policy makers used some of our research as they determined how to structure that program in the Farm Bill

MF-2498 describes the costs of certified seed relative to farmer-saved seed. Certified seed is required under these programs and it can be quite expensive for producers. But the only way to keep the hard red and hard white wheat classes separate and receive the incentives from hard white wheat is to require certified seed.

MF-2499 describes the milling cost extraction rates received by millers from using hard white wheat. One of the real contributions to educating producers about hard white wheat premiums is that they can vary by harvest due to many different factors such as test weight. Thus, a \$0.10 premium, which has been the standard for hard white wheat is sometimes the amount of cost savings received by millers but not all the time.

Objective 3: We have done over 20 educational programs to producers during the past three years on hard white wheat. In addition, we have visited frequently with agribusiness managers, Congressional staffers, and others about hard white wheat during the past three years. The program received a USDA Secretary Honors Award for its work in 2002.